

**AMENDMENT TO H.R. 4733, AS REPORTED
OFFERED BY MR. SHERWOOD OF PENNSYLVANIA**

Page 39, lines 6 through 19, amend section 606 to
read as follows:

1 SEC. 606. (a) ENERGY POLICY AND CONSERVATION
2 ACT AMENDMENTS.—The Energy Policy and Conserva-
3 tion Act is amended—

4 (1) by amending section 166 (42 U.S.C. 6246)
5 to read as follows:

6 “AUTHORIZATION OF APPROPRIATIONS

7 “SEC. 166. There are authorized to be appropriated
8 for fiscal years 2000 through 2003 such sums as may be
9 necessary to implement this part.”;

10 (2) in section 181 (42 U.S.C. 6251) by striking
11 “March 31, 2000” both places it appears and insert-
12 ing “September 30, 2003”; and

13 (3) in section 281 (42 U.S.C. 6285) by striking
14 “March 31, 2000” both places it appears and insert-
15 ing “September 30, 2003”.

16 (b) PURCHASE OF OIL FROM MARGINAL WELLS.—

17 (1) PURCHASE OF OIL FROM MARGINAL
18 WELLS.—Part B of Title I of the Energy Policy and
19 Conservation Act (42 U.S.C. 6232 et seq.) is amend-

1 ed by adding the following new section after section
2 168:

3 “PURCHASE OF OIL FROM MARGINAL WELLS

4 “SEC. 169. (a) IN GENERAL.—From amounts au-
5 thorized under section 166, in any case in which the price
6 of oil decreases to an amount less than \$15.00 per barrel
7 (an amount equal to the annual average well head price
8 per barrel for all domestic crude oil), adjusted for infla-
9 tion, the Secretary may purchase oil from a marginal well
10 at \$15.00 per barrel, adjusted for inflation.

11 “(b) DEFINITION OF MARGINAL WELL.—The term
12 “marginal well” means a well that—

13 “(1) has an average daily production of 15 bar-
14 rels or less;

15 “(2) has an average daily production of 25 bar-
16 rels or less with produced water accounting for 95
17 percent or more of total production; or

18 “(3) produces heavy oil with an API gravity
19 less than 20 degrees.”.

20 (2) CONFORMING AMENDMENT.—The table of
21 contents for the Energy Policy and Conservation Act
22 is amended by inserting after the item relating to
23 section 168 the following:

“Sec. 169. Purchase of oil from marginal wells.”.

24 (c) NORTHEAST HOME HEATING OIL RESERVE.—

1 (1) AMENDMENT.—Title I of the Energy Policy
2 and Conservation Act is amended by—

3 (A) redesignating part D as part E;

4 (B) redesignating section 181 as section
5 191; and

6 (C) inserting after part C the following
7 new part D:

8 “PART D—NORTHEAST HOME HEATING OIL RESERVE
9 “ESTABLISHMENT

10 “SEC. 181. (a) Notwithstanding any other provision
11 of this Act, the Secretary may establish, maintain, and
12 operate in the Northeast a Northeast Home Heating Oil
13 Reserve. A Reserve established under this part is not a
14 component of the Strategic Petroleum Reserve established
15 under part B of this title. A Reserve established under
16 this part shall contain no more than 2 million barrels of
17 petroleum distillate.

18 “(b) For the purposes of this part—

19 “(1) the term ‘Northeast’ means the States of
20 Maine, New Hampshire, Vermont, Massachusetts,
21 Connecticut, Rhode Island, New York, Pennsylvania,
22 and New Jersey; and

23 “(2) the term ‘petroleum distillate’ includes
24 heating oil and diesel fuel.

1 “AUTHORITY

2 “SEC. 182. To the extent necessary or appropriate
3 to carry out this part, the Secretary may—

4 “(1) purchase, contract for, lease, or otherwise
5 acquire, in whole or in part, storage and related fa-
6 cilities, and storage services;

7 “(2) use, lease, maintain, sell, or otherwise dis-
8 pose of storage and related facilities acquired under
9 this part;

10 “(3) acquire by purchase, exchange (including
11 exchange of petroleum product from the Strategic
12 Petroleum Reserve or received as royalty from Fed-
13 eral lands), lease, or otherwise, petroleum distillate
14 for storage in the Northeast Home Heating Oil Re-
15 serve;

16 “(4) store petroleum distillate in facilities not
17 owned by the United States;

18 “(5) sell, exchange, or otherwise dispose of pe-
19 troleum distillate from the Reserve established under
20 this part; and

21 “(6) notwithstanding paragraph (5), on terms
22 the Secretary considers reasonable, sell, exchange, or
23 otherwise dispose of petroleum distillate from the
24 Reserve established under this part in order to
25 maintain the quality or quantity of the petroleum

1 distillate in the Reserve or to maintain the oper-
2 ational capability of the Reserve.

3 “CONDITIONS FOR RELEASE; PLAN

4 “SEC. 183. (a) The Secretary may release petroleum
5 distillate from the Reserve under section 182(5) only in
6 the event of—

7 “(1) a severe energy supply disruption;

8 “(2) a severe price increase; or

9 “(3) another emergency affecting the North-
10 east,

11 which the President determines to merit a release from
12 the Reserve.

13 “(b) Within 45 days of the date of the enactment of
14 this section, the Secretary shall transmit to the President
15 and, if the President approves, to the Congress a plan
16 describing—

17 “(1) the acquisition of storage and related fa-
18 cilities or storage services for the Reserve;

19 “(2) the acquisition of petroleum distillate for
20 storage in the Reserve;

21 “(3) the anticipated methods of disposition of
22 petroleum distillate from the Reserve; and

23 “(4) the estimated costs of establishment, main-
24 tenance, and operation of the Reserve.

25 The storage of petroleum distillate in a storage facility
26 that meets existing environmental requirements is not a

1 'major Federal action significantly affecting the quality of
2 the human environment' as that term is used in section
3 102(2)(C) of the National Environmental Policy Act of
4 1969.

5 "NORTHEAST HOME HEATING OIL RESERVE ACCOUNT

6 "SEC. 184. (a) Upon a decision of the Secretary of
7 Energy to establish a Reserve under this part, the Sec-
8 retary of the Treasury shall establish in the Treasury of
9 the United States an account know as the 'Northeast
10 Home Heating Oil Reserve Account' (referred to in this
11 section as the 'Account').

12 "(b) The Secretary of the Treasury shall deposit in
13 the Account any amounts appropriated to the Account and
14 any receipts from the sale, exchange, or other disposition
15 of petroleum distillate from the Reserve.

16 "(c) The Secretary of Energy may obligate amounts
17 in the Account to carry out activities under this part with-
18 out the need for further appropriation, and amounts avail-
19 able to the Secretary of Energy for obligation under this
20 section shall remain available without fiscal year limita-
21 tion.

22 "EXEMPTIONS

23 "SEC. 185. An action taken under this part—

24 "(1) is not subject to the rulemaking require-
25 ments of section 523 of this Act, section 501 of the

1 Department of Energy Organization Act, or section
2 553 of title 5, United States Code; and

3 “(2) is not subject to laws governing the Fed-
4 eral procurement of goods and services, including
5 the Federal Property and Administrative Services
6 Act of 1949 (including the Competition in Con-
7 tracting Act) and the Small Business Act.”.

8 (2) AUTHORIZATION OF APPROPRIATIONS.—
9 There are authorized to be appropriated such sums
10 as may be necessary to carry out part D of title I
11 of the Energy Policy and Conservation Act.